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July 6, 2015

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Enforcement Division Director
Virginia Department of Environmental Quality
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Re: DOJ No. 90-5-2-1-09611 – Disclosure of Potential Consent Decree Violations

To Whom It May Concern:

Honeywell Resins & Chemicals LLC ("Honeywell") is making this submittal pursuant to the Consent Decree in United States of America and Commonwealth of Virginia v. Honeywell Resins & Chemicals LLC ("consent decree"), the reference for which is Civil Action Number: 3:13-cv-00193-REP, and DOJ Case Number: 90-5-2-1-09611.

Paragraph 49.b. of the consent decree directs Honeywell to notify the United States and VADEQ if Honeywell violates, or has reason to believe that it may violate, any requirement of this Consent Decree. Honeywell is submitting notification of potential violations of Appendix A of the Consent Decree with this letter. Notification is being made within ten days of the date Honeywell first became aware of these items.

During the second quarter internal LDAR audit conducted in accordance with Appendix A, Paragraph 27, the auditors identified the following Consent Decree issues:

Installing new valves in the Equipment Replacement/Improvement Program (Appendix A, Paragraph 19) – During the 2014 plant maintenance outage, the Honeywell Hopewell facility installed 31 process valves in LDAR service which potentially were not certified low-leak technology (CLLT) and did not contain CLLT packing. 24 of these valves were installed in the fall of 2014 as part of a single capital project in Area 16. The remaining 7 were associated with routine maintenance activities.

During the second quarter internal LDAR audit, 3 valves were initially identified that had been installed in LDAR service in Area 6 during the fall 2014 outage and potentially did not contain the required CLLT. After this discovery, the Plant initiated a comprehensive review of maintenance and project activities in the LDAR regulated processes to identify the installation of any additional LDAR valves which potentially did not contain CLLT. 28 additional valves were identified from that review resulting in the total of 31 valves disclosed.

12 of the 31 valves are Powell valves which meet the CLLT requirements if the stem packing nuts are tightened to the manufacturer's recommended torque. We were unable to confirm if the valve packing

nuts were properly tightened when installed. We will confirm or adjust the torque on these 12 valves at the next available opportunity. For the remaining 19 valves, we plan to replace or repack them with CLLT during the next scheduled outage. We have monitored all 31 valves and none were found to be leaking.

We believe the failure to install CLLT valves during the 2014 plant maintenance outage stemmed from the same root cause which lead to the CLLT issues disclosed in Honeywell's March 20, 2015, report of the results of the audit conducted in the first quarter 2015. When the Hopewell Plant's equipment replacement/improvement program was being developed, the implementation team determined incorrectly that all LDAR valves supplied to the facility were CLLT, and that all CLLT documentation was on file as per Paragraph 21 of Appendix A. The training performed at the time emphasized this point and did not indicate otherwise. Therefore, when the site maintenance and reliability department executed projects during the fall of 2014 plant outage, they were unaware that some of the replacement valves were not CLLT. To address this issue the Plant has identified CLLT valve models supplied by the Plant vendors, obtained CLLT documentation for these valves and stocked commonly used CLLT valves in the storeroom. The Plant is also in the process of completing an inventory of the make and model of the valves currently in LDAR service and identifying the available CLLT replacements for these valves.

Management of Change (Appendix A, Paragraph 24) – In July of 2013, the Honeywell Hopewell facility replaced a portion of the piping in the Area 6 Nadone drum loading operation. The three existing valves and connectors in this piping were replaced with seven new valves. The new valves were field tagged with LDAR component tags; however, they were not entered into the LDAR database after tagging. Similarly, in November of 2014 during the annual outage, a site glass was installed on a process vessel which contained a valve and two connectors. During the quarterly audit, these components were found tagged in the field, but not in the LDAR database. We have subsequently added these component tags into the database and monitored these components. None were found to be leaking.

After interviews with the LDAR technicians, the tags identified in the field that were not entered into the LDAR database appear to have been entered into the handheld unit; however, the tags failed to upload into the database. The current procedure did not require the LDAR technicians to confirm that the additions of components to the database were successful. We will modify the database management procedures to provide confirmation by the LDAR contractor that new tags have been successfully uploaded into the database.

Management of Change (Appendix A, Paragraph 24) – A capital project installed in Area 16 during the fall 2014 outage involved adding equipment in a waste gas stream which is regulated as a closed vent system under the LDAR program. Upon review of the process changes in 2014 as part of the second quarter LDAR audit follow-up, this equipment was identified as not being properly integrated into the LDAR program at the time of installation. This equipment has subsequently been reviewed to determine the LDAR applicability and will be integrated into the LDAR program. We have monitored these components and none were found to be leaking.

The installation of the capital project in Area 16 on the waste vent gas was managed under the facility management of change (MOC) process. Both the request for change documentation and the pre-startup review identified the project as applicable to the LDAR program. The vent line where the changes occurred was regulated as a closed vent system (CVS) under the LDAR program prior to the changes and was in vacuum service; therefore exempt from the LDAR monitoring requirements. The addition of a condenser in the vent gas as part of the project to recapture additional toluene created a light liquid stream which is applicable to the LDAR monitoring requirements. Additionally, a short segment of piping containing two valves at the tie-in point, prior to the new vacuum control valve, is in gas/vapor service, since it potentially can operate at lower levels of vacuum. The initial evaluation of

the change incorrectly identified all components in the system as a CVS and failed to identify the gas/vapor and light liquid portions of the piping associated with the change. Consequently, the changes to the closed vent system were not communicated to the site LDAR contractor to conduct the required initial monitoring. We believe that this error in the initial evaluation would have been caught and corrected had the MOC review been escalated to the environmental team.

We are currently modifying the MOC procedure to incorporate additional LDAR review into the initial change assessment and in the pre-startup review. Once the procedural changes are finalized, we will train employees on these changes.

If you have questions or need additional information, please contact me by phone or email.

Regards,

A handwritten signature in black ink, appearing to read 'P. Sparks', with a horizontal line extending from the end of the signature.

Phillip C. Sparks
Sr. Environmental Engineer

DOCUMENT CERTIFICATION

Facility Name: Honeywell Resins & Chemicals LLC

Facility Location: 905 East Randolph Road, Hopewell, VA 23860

Type of Submittal Attached: Disclosure of Potential Consent Decree Violation

Certification: I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Name of Responsible Official: Frederick P. Harry

Title: Site Manager

Signature:  **Date:** July 6, 2015

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